

FOR IMMEDIATE RELEASE: February 24, 2025

Contact: Kerwin Olson, CAC Executive Director: (317) 735-7727, [kolson@citact.org](mailto:kolson@citact.org)

## CAC Applauds Governor for Concerns about Ratepayers

### *Gov. Braun Appropriately Believes Risk for Nuclear Costs belongs with Utilities*

INDIANAPOLIS – Citizens Action Coalition (“CAC”) was reassured by Governor Mike Braun’s comments regarding the appropriate placement of the investment risk involved with the potential build-out of expensive and experimental small modular nuclear reactors (“SMRs”) in Indiana. In an interview about energy production with WHTI-TV News out of Terre Haute, Governor Braun stated:

*“I’m hesitant about putting that solely on the back of the rate payers. Some of that they (the utility companies) will have to absorb through what is called ‘capitalism’. **They are out there as investor owned, and some of that is going to have to be the risk that they take.**”<sup>1</sup>*

The Governor’s comments stand at odds with provisions included in three separate pieces of legislation currently working their way through the 2025 session of the Indiana General Assembly – House Bill 1007, Senate Bill 423, and Senate Bill 424. All three bills include an adjustable-rate mechanism, more commonly referred to as a utility bill rider or tracker, which would force captive utility ratepayers to assume all the financial risk for “project development costs,” or **pre-construction costs**, related to SMRs - should these bills survive the legislative process in their current form and Governor Braun signs them into law.

“We applaud Governor Braun for recognizing the affordability challenges faced by consumers today and, we strongly share his view that investment risk should be borne, or at a minimum shared, by voluntary investors and the companies themselves and not be dumped solely on the pocketbooks of Hoosier ratepayers struggling to make ends meet,” said Kerwin Olson, Executive Director at CAC. “We’re hopeful that the Governor’s views lead to a change in direction for the legislature and improved outcomes for Hoosier ratepayers. Should these proposals in their current form reach his desk for his approval, we urge him to use the power of his office to protect struggling Hoosier ratepayers and veto these bills.”

While the extent of these costs is unknown, ongoing efforts by two utilities, including Duke Energy, provide a glimpse of the potential magnitude of **pre-construction costs**.

- Duke Energy, the largest investor-owned utility in Indiana, is currently planning for SMRs in their North Carolina service territory. Regulators there initially approved up to \$75M in SMR pre-construction spending for Duke Energy through 2024, but those same regulators recently increased that approval amount to a shocking \$365M,<sup>2</sup> a nearly 400% increase from Duke’s original request. Duke Energy is also seriously considering SMRs in Indiana.

<sup>1</sup> [https://www.wthity.com/news/some-of-that-is-going-to-have-to-be-the-risk-that-they-take-/article\\_7055fd3c-f08c-11ef-a282-e3be9d0e1ed0.html](https://www.wthity.com/news/some-of-that-is-going-to-have-to-be-the-risk-that-they-take-/article_7055fd3c-f08c-11ef-a282-e3be9d0e1ed0.html)

<sup>2</sup> <https://www.newsobserver.com/news/business/article299107725.html>

- The Tennessee Valley Authority (“TVA”) recently approved an additional \$150M to support the development of SMRs. This nearly doubles the total amount committed by TVA (to this point) for **SMR pre-construction costs** to an astonishing \$350M, when added to the \$200M already approved by TVA only three years ago.<sup>3</sup>

To make matters even worse for Hoosiers, the current legislative proposals would force ratepayers to foot the bill **even if the utility never files for approval of an SMR or if the utility cancels the SMR project**. Notably, this new proposed tracker for **pre-construction costs** included in all three bills would be in addition to the tracker approved by the legislature and signed into law by former Governor Eric Holcomb in 2022, which forces Hoosier ratepayers to take on all the **construction costs** for SMRs.<sup>4</sup>

More on these bills and the current legislative session can be found [here](#).

\*\*\*

---

<sup>3</sup> <https://www.tva.com/news-media/releases/tva-board-approves-additional--150-million-in-advanced-nuclear-funding>

<sup>4</sup> <https://iga.in.gov/legislative/2022/bills/senate/271/details>